



**DEBRA BOWEN | SECRETARY OF STATE**  
**STATE OF CALIFORNIA | BUSINESS PROGRAMS**

1500 11th Street | Sacramento, CA 95814 | Tel (916) 657-5448 | Fax (916) 653-1315 | [www.sos.ca.gov](http://www.sos.ca.gov)

**BUSINESS PROGRAMS DIVISION**  
**NEW LAW SUMMARY FOR 2007**

The following are summaries of bills enacted into law that may affect directly filings made and business conducted with the Secretary of State's office. Unless otherwise indicated, these measures will take effect on January 1, 2008. For a complete copy of a particular bill, please refer to the Bill Information section of the California Legislative Counsel's website at <http://www.leginfo.ca.gov/bilinfo.html>. To research other legislation that does not impact filings made or business conducted with the Secretary of State's office but that may affect your business, please refer to the Bill Index section of the California Legislative Counsel's website at <http://www.leginfo.ca.gov/bilindex.html> for a subject matter index of all bills introduced in the Assembly and Senate during the 2007-2008 legislative session.

The various California Codes (reflecting laws currently in effect) can be accessed through the California Law section of the California Legislative Counsel's website at <http://www.leginfo.ca.gov/calaw.html>.

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- **Business Entities**
  - **Notary Public**
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  - **Trademarks & Service Marks**
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**BUSINESS ENTITIES:**

**AB 339**  
**(Statutes of**  
**2006,**  
**Chapter 495,**  
**effective January**  
**1, 2008)**

This act established the Uniform Limited Partnership Act of 2008 (the Act of 2008), which provides the organization and governing provisions for a domestic (California) limited partnership (LP) and foreign (out of state or country) LP. LPs filed prior to January 1, 2008 will continue to be governed under the Uniform Limited Partnership Act and the California Revised Limited Partnership Act, unless the LP elects to be governed by the new act or until January 1, 2010 when the Uniform Limited Partnership Act of 2008 will govern all LPs. The Act of 2008 can be found in the California Corporations Code [commencing with Section 15900](#). For a list of the primary changes under the Act of 2008, please refer to the Notice of Legislative Change on the Secretary of State's website at [http://www.sos.ca.gov/business/pdf/ab339\\_notice.pdf](http://www.sos.ca.gov/business/pdf/ab339_notice.pdf).

## **BUSINESS ENTITIES (continued):**

### **SB 144 (Chapter 343)**

This act requires a nonprofit public benefit corporation that is created by an elected legislative body to furnish an additional copy of the articles of incorporation to the Secretary of State at the time of filing, and requires the Secretary of State to forward the additional copy to the Controller. This act also affects [Special Filings](#).

### **SB 414 (Chapter 80)**

This act provides that the total aggregate limit of liability under the policy or policies of insurance or the amount of security for limited liability partnerships providing accountancy or legal services with 5 or fewer licensees shall be not less than \$1,000,000 and for partnerships with more than 5 licensees, shall be an additional \$100,000 for each additional licensee up to the \$5,000,000 or \$7,500,000 maximum, respectively.

### **SB 998 (Chapter 101)**

This act makes three significant changes to the filing requirements for corporations: (1) when designating an individual as agent for service of process for a corporation, the street address of the designated agent must be provided. A post office box address is no longer acceptable; (2) all domestic (California) stock and foreign (out of state or country) corporations must provide their mailing address on the Statement of Information, if the mailing address is different from the street address of the corporation's principal executive office; and (3) all California nonprofit corporations must provide their mailing address on the Statement of Information, if the mailing address is different from the street address of the corporation's principal office in California or if the corporation has no principal office address in this state. For additional information regarding this act, please refer to the Notice of Legislative Change on the Secretary of State's website at [http://www.sos.ca.gov/business/corp/pdf/so/sb998\\_notice.pdf](http://www.sos.ca.gov/business/corp/pdf/so/sb998_notice.pdf).

## **NOTARY PUBLIC:**

### **AB 434 (Chapter 496)**

This act requires a notary public to respond within 15 business days from the receipt of a request by a member of the public for a line item from the notary public's journal. The notary public is required to provide either a photostatic copy of the line item representing the requested transaction or acknowledge that no such line item exists. In a disciplinary proceeding for noncompliance with this provision, a notary public may defend their delayed action on the basis of unavoidable, exigent business or personal circumstances.

### **AB 886 (Chapter 399)**

This act includes several provisions affecting notaries public:

- Under the new act, "personally known" as a basis for the notary taking an acknowledgment and executing a jurat is no longer allowed. No acknowledgment may be taken or jurat executed on personal knowledge alone. Violation subjects a notary to a civil penalty of up to \$10,000 in an administrative action brought by the Secretary of State or a public prosecutor.

## **NOTARY PUBLIC (continued):**

- The certificate of acknowledgment now is executed under penalty of perjury. A notary who willfully states as true any material fact known to be false can be subject to a civil penalty of up to \$10,000.
- A notary public applicant must submit a photograph of their person to the Secretary of State along with the application.
- The notary public journal must contain a notation that the identity of the person making an acknowledgment, or taking an oath or affirmation is based on “satisfactory evidence” and not “personal knowledge.”
- A power of attorney document is added to the list of documents that requires a thumbprint.
- When requested by a peace officer investigating a criminal offense, a notary must surrender their journal immediately or as soon as possible if the journal is not present. The peace officer must have probable cause to believe that the journal contains evidence of a criminal offense. The peace officer who seizes a journal must notify the Secretary of State within 24 hours or as soon as possible of the name of the notary public whose journal was seized.
- Willful failure to notify the Secretary of State of a change of address is punishable as an infraction by a fine of up to \$500, willful failure to notify the Secretary of State of a name change is punishable as an infraction by a fine of up to \$500, willful failure of a notary to provide a peace officer with a journal when requested is punishable by a civil penalty of up to \$2,500, and a notary who fails to obtain a thumbprint as required by Government Code section 8206 is subject to a civil penalty up to \$2,500.
- Willful failure to report the theft or loss of a journal is grounds for revocation or suspension of a notary commission. New grounds for denial of an application or revocation or suspension have been added for crimes connected to notarial acts: making a false writing, fraud relating to a deed of trust, improper notarial acts, unlawfully acting as a notary, filing false or forged documents, forgery, embezzlement, and falsely obtaining personal information. Also, willful failure to provide access to a journal when requested by a peace officer is grounds for revocation or suspension.

## **SPECIAL FILINGS:**

### **SB 144 (Chapter 343)**

This act requires an agency or entity formed pursuant to a joint powers agreement to furnish an additional copy of the joint powers agreement or amendment to the Secretary of State, and requires the Secretary of State to forward the additional copy to the Controller. This act also affects [Business Entities](#).

## **TRADEMARKS AND SERVICE MARKS:**

### **AB 1484 (Chapter 711)**

This act establishes the Model State Trademark Law. This act adopts the classification of goods and services used by the United States Patent and Trademark Office and allows a single application to include multiple classifications of goods or services; requires the applicant to state a declaration of accuracy that no other person previously has registered a confusingly similar mark in California. A willful inaccurate statement will be subject to a civil penalty of up to \$10,000 to be enforced by a public prosecutor; reduces the duration of new California registrations from ten to five years; and requires the applicant to state whether the applicant previously sought to register the mark with the U.S. Patent and Trademark Office and, if registration was refused, to disclose the reasons why it was refused at the federal level.

## **UNIFORM COMMERCIAL CODE:**

### **AB 1168 (Chapter 627)**

This act requires social security numbers to be truncated on specified filings, requires creation of a copy of the filing with the truncated social security number as a public record, and permits only the public record version of the filing to be available for inspection, copying, or public disclosure except by subpoena or court order. This act also requires each filing office to post a notice on its website informing filers not to include social security numbers in any portion of their filings, and permits a person that identifies a filing containing an unredacted social security number to require the filing office to redact the social security number and create a public record version of the filing. The act permits the Secretary of State to make forms available for filing in the formats described in Commercial Code [section 9521](#) with the box for inclusion of the social security number blacked out.